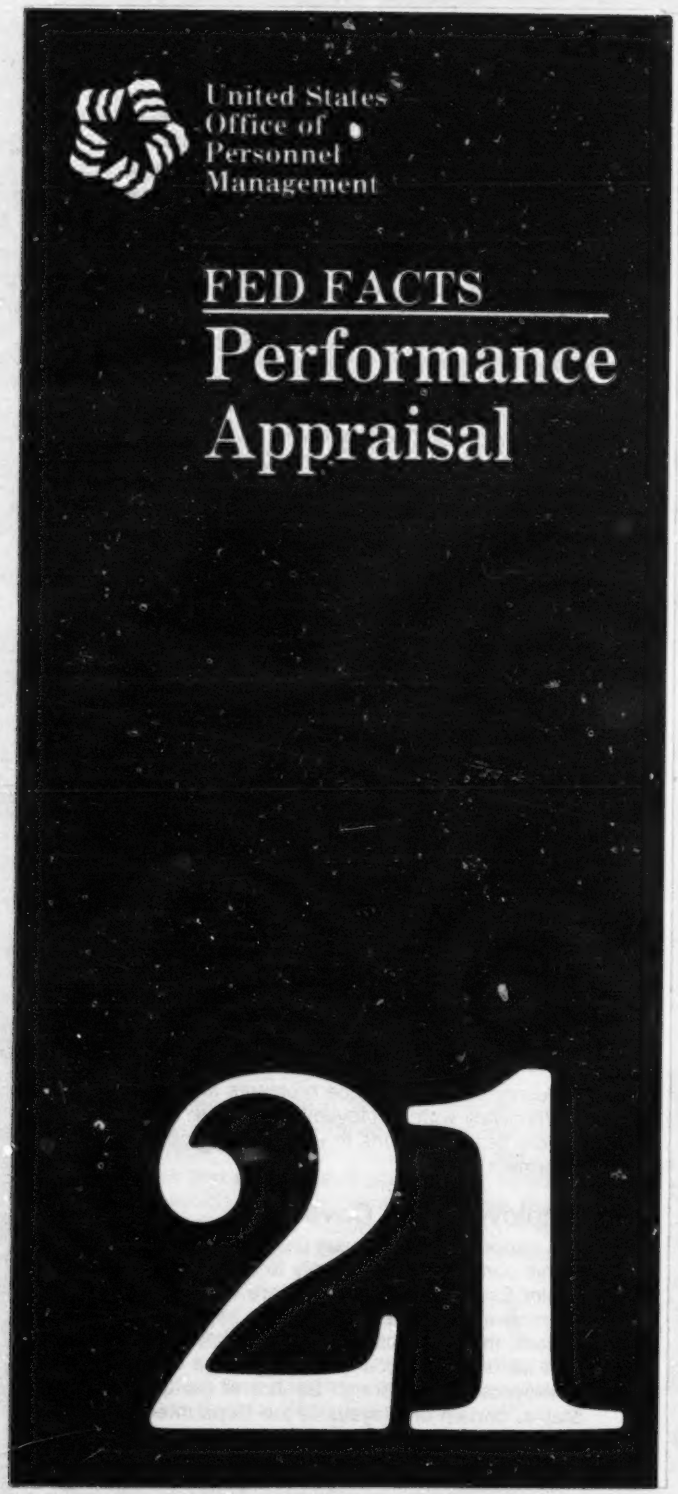
United States
Office of
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Management
FED FACTS
Performance
Appraisal
21

The performance appraisal system for Federal employees became effective for most of the Government on October 1, 1981. Establishment of a performance appraisal system was a major feature of the Civil Service Reform Act of 1978. The purpose is three-fold: to provide incentives for superior job performance, to provide a sound basis for personnel decisions, and to improve the efficiency of the Federal Government. Supervisors and employees participate in determining what is expected from each employee, and they set standards by which to measure successful job performance. Such a system improves communication and paves the way for improved working relationships. This leads to better management, which in turn will make Government more efficient and productive, and thereby better serve the taxpaying public.

What It Means

One of the purposes of a performance appraisal is to provide you with information about how well you do your job and how you can improve your work and possibly enhance your career opportunities. The law requires that agencies use the results of performance appraisals as a basis for: incentive awards, training, reassigning, promoting, reducing in grade, retaining and removing employees, and pay adjustments for merit pay employees. Managers and supervisors working with the performance appraisal system also have the responsibility to:

- Keep employees advised of what is expected of them and how well they are meeting these expectations;
- Identify areas for employee growth and development, including training needs;
- Provide incentives for superior achievement; and
- Recognize performance problems and work effectively with employees to improve their work or take actions to remove poor performers.

Employees Not Covered

The performance appraisal procedures described in this pamphlet do not apply to: those in the Senior Executive Service who are covered by an alternative executive performance appraisal system; those outside the United States who are paid according to local prevailing wage rates; employees in the Foreign Service of the United States; certain employees in the Department of Medicine and Surgery of the Veterans Administration; Administrative Law Judges appointed under 5 USC 3105; employees of the Central Intelligence Agency, Defense Intelligence Agency, and National Security Agency; employees of the General Accounting Office; and individuals appointed by the President. In addition, these provisions do not apply to jobs filled by Non-career Executive Assignments under 5 CFR 305, and excepted service positions for which employment is not reasonably expected to exceed 120 days in a consecutive 12-month period. Additional positions can be excluded by the Director of the Office of Personnel Management.

The Process

Under the system, when Federal employees are appraised in writing, generally on an annual basis, their job performance over the past year is judged according to the elements (specific tasks assigned to each job) and standards established at the beginning of the appraisal period. If duties and responsibilities change, the supervisor should consider revising the performance standards as appropriate and communicate them to the employee.

It is important that performance standards and critical elements be consistent with the duties and responsibilities of the employee's position description. If an inconsistency exists, the supervisor should consider updating the position description or consulting his/her personnel office.

To carry out effectively each employee's performance appraisal, the groundwork must be laid. To do this, agency supervisors and managers first identify performance **elements** by conducting a job analysis, task analysis, position description review or other reviews of the major responsibilities of the job. The elements, based on all the major duties of the job, are then clearly stated. They should refer to work activities or outcomes which are consistent with the grade level of the position.

Performance **standards** are next established for each performance element. Agencies usually define three to five levels of performance for each element, from unacceptable to outstanding.

Supervisors and managers then decide which of the performance elements are **critical** to acceptable performance in the position. An element may be critical if one or more of the following questions can be answered "yes."

1. Is the element a major component of the job?

2. Is the task vital to the mission of the whole office or work unit?
3. Should the supervisor initiate remedial action which may include removal or demotion of the employee for performing unacceptably on the element?

What You Can Do

Your agency should encourage you to get involved in the development of performance elements and standards for your position. The participation can range from informal discussions between employees and their supervisors to a program of periodic review of employee views regarding their performance standards. If you are in a bargaining unit represented by a union, the negotiated labor-management agreement for your unit may contain procedures for employee participation which must be followed.

When performance standards are drawn up, they must be job-related, realistic, and clearly stated. They should be set so they are challenging and provide employees with a goal to reach, as well as make distinctions among levels of performance. Performance standards are a means for measuring the quantity and quality of work produced, how efficiently the work is carried out, whether deadlines are met, and other relevant indications of job success. Performance appraisal can only work successfully if all the above factors—elements, critical elements, and standards—are carefully established. This requires a full understanding of the responsibilities and expectations of the position by both the supervisor and the employee.

Uses of Performance Appraisal

The following are some personnel actions for which a performance appraisal can be a basis:

- **Within-grade increase**—As a GS employee, you must perform at an acceptable level of competence (e.g., rating of fully satisfactory or equivalent) in order to receive a within-grade increase. If you are a Wage Grade employee, your performance must be "satisfactory" or better. A quality step increase may be awarded if your overall performance of assigned duties and responsibilities substantially exceeds an acceptable level of competence and if this high level of performance is expected to continue in the future.
- **Merit promotion**—Your agency must give significant weight to performance appraisals in the merit promotion process. The weight should be determined by the degree of the appraisal's job relatedness to the position to be filled.
- **Recognitions and awards**—Incentive awards, merit cash awards, or awards for sustained superior performance are given as a result of performance appraisal.
- **Merit pay**—If you are a supervisor or management official at the GM-13 through GM-15 levels, part of your pay raise will be tied directly to your performance appraisal. Higher level performance will, therefore, result in larger merit pay increases and higher salary levels.
- **Reduction in force**—During a RIF your most recent performance appraisal will be taken into consideration as one of four factors in determining your retention standing.
- **Opportunity to demonstrate acceptable performance**—If your performance on any critical element is unacceptable, your agency must give you a reasonable amount of time to demonstrate acceptable performance before proposing a reduction in grade, reassignment or removal from your job.

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Relations With Employees

When developing and implementing its appraisal system, agencies must involve employees in the process. Where employees are represented by recognized labor organizations, the Federal Labor Relations Authority has held that agencies have an obligation to bargain on certain aspects of performance appraisal systems—including the form of employee participation to be used in the establishment of performance standards. However, this obligation does not extend to the **content** of performance standards or the identification of critical elements.

If a difference of opinion develops over an appraisal, you can file a grievance as to your performance rating, but not on the content of the elements and standards. If you are in a bargaining unit which has a negotiated grievance procedure that does not exclude grievances over appraisal, you must use the negotiated procedure.

For More Information

If you are interested in obtaining more information, contact your personnel office, or see chapter 430 in the Federal Personnel Manual.

Definitions of Appraisal Terms

The following is a list of commonly used terms with which you should be familiar.

Appraisal system: A system which provides for establishment of performance standards, identification of critical elements, and communication of those standards and critical elements to employees. It also involves methods and procedures to appraise performance against established standards, as well as the appropriate use of appraisal information in making personnel decisions.

Performance: The employee's accomplishment of assigned duties and responsibilities.

Appraisal: A comparison of an employee's performance of duties and responsibilities with performance standards.

Critical element: This is a component of an employee's job that is of sufficient importance that performance below the minimum standard established by management requires remedial action and denial of a within-grade increase, and may be the basis for removing or reducing the grade level of that employee. Such action may be taken without regard to performance on other components of the job.

Non-critical element: This is a performance element (or component of an employee's job) that does not meet the definition of a critical element, but is of sufficient importance to warrant appraisal and the assignment of a rating.

Performance standards: The expressed measure of the level of achievement established by management for the duties and responsibilities of a position or group of positions. Performance standards may include, but are not limited to, elements such as quality, quantity, and timeliness of the work produced.

Appraisal period: This is the period of time established by an appraisal system for which an employee's performance will be reviewed, normally one year.

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